



U.S. REPRESENTATIVE RON LEWIS STAYING IN TOUCH



ANNUAL CONSTITUENT SURVEY

SPRING 2001

Dear Friends:

Thank you for taking the time to read this newsletter. One of my responsibilities as your representative is to inform you of recent actions of Congress. It has been a busy session to date, with action on tax relief, debt reduction, energy and agriculture.

I also need to hear from you in order to know what issues are important to you. Please take a few minutes to complete the survey and return it to my Washington office or complete it online at my website: www.house.gov/ronlewis/

Again, thank you for your time and effort in participating in the annual survey. Please do not hesitate to contact me to express your views or let me know if I can be of service to you.



Meade County constituents share their views with Lewis at the May 19 Community Legislative Update in Brandenburg. See page 3 for information on upcoming meetings Lewis will host in Kentucky.

INSIDE...

Tax Relief	Page 2
Ag Update	Page 2
Survey	Page 3
Meetings	Page 3
Faith-Based	Page 4
Debt Relief	Page 4

ENERGY FOR THE FUTURE:

Congress To Consider New Policies

One issue I've heard about from many of you this spring is the price of energy. As fuel prices have gone up, it costs more to drive to work, run your business, plant your crops and take your children to school. How did we get to this point, and what can be done to solve the problem?

President Bush recently presented a national energy policy proposal. He takes a comprehensive approach to the issue, looking at supply, transmission, conservation, fuel diversity and environmental protection. Without serious efforts toward planning energy for the future, the price spikes we've experienced during the last two years will continue. **Future demand will outstrip supply even more than it does now if no action is taken.**

We do have a supply problem. Even as our fuel refineries are operating at near capacity, fuel inventories remain below average, and no major new refineries have been built in nearly 30 years. Refineries also must produce many formulas of gasoline, especially in the summer. These factors are all contributing to high prices at the pump.

When it comes to electricity, Kentucky has the lowest prices in the nation, due to our use of coal. Investing more in clean coal technology, as President Bush proposes, makes coal an even better energy source.

When we increase supply, we also increase jobs. Dependence on foreign oil has cost nearly 100,000 U.S. jobs. New technologies and streamlined regulations make it possible to increase supply in ways friendly to the environment. All of us want clean air and clean water, and we also need a strong economy. Having one does not exclude the other. We can have both. **Even as our energy consumption has increased over the last 30 years, pollution from energy production and use has dropped by more than a third.**

One area I am especially interested in is promotion of alternative fuels such as ethanol and biodiesel. **I plan to introduce legislation that provides additional incentives for use of these fuels.** Not only do they reduce dependence on oil, but use of ethanol and biofuels also benefits our farmers and our air. Our nation is more energy efficient now than in the past.

We currently use half the energy than we did 30 years ago to produce the same level of economic output. We can do more to conserve, but that alone will not solve all the problems.

I look forward to working in Congress on the legislative aspects of the president's proposals. We've gone too long without a long-range energy plan. **Failure to correct course now and plan for the future will lead to permanent high prices.** That is something none of us want and a problem our families and economy cannot afford.

House Passes Lewis' Foster Care Bill 420-0

In mid-May, the House unanimously passed Congressman Lewis' Fairness for Foster Families Act. Current law recognizes that if people are willing to open their hearts and homes by participating in foster care, they receive a tax exemption on the payments from the state-run foster care program. This legislation updates and simplifies tax law to ensure all foster families are treated equally.

Kentucky is among a number of states that have changed the way they deliver foster care services by contracting with private companies such as ResCare and others. As an unintended result, some foster families have been unable to receive the tax exemption. Foster families are needed, and nothing,

especially outdated tax laws, should discourage them from taking in children that need a loving and caring home.

States should be encouraged to be innovative and responsible in the way they offer services. At the same time, the changes states make should not penalize foster families or discourage them from participating. This legislation brings tax law in line with new ways to offer foster care, ensuring the tax exemption is available for all foster care families even when their state's foster care practices change. Therefore, regardless of the licensed entity that makes the placement or the payments, the family taking in the foster individual is treated fairly.



Rep. Lewis presents his foster care bill on the House floor May 15.

TAX RELIEF IS ON THE WAY:

Ever Wondered How the Changes Will Affect You?

What a difference a year makes. Last year, attempts at tax relief met with President Clinton's veto pen. This year, President Bush has encouraged Congress to reduce tax rates across the board, end the marriage penalty and end the death tax. I have supported these efforts in the past and was pleased to do so again.

As this newsletter goes to print, final legislation is being sent to the president for his signature. **As outlined in our budget resolution, the legislation totals \$1.35 billion in relief over the next 11 years. To the average family of four, that means keeping \$1,600 more of your money.** Here is how the major components affect you:

TAX RATE REDUCTIONS

First and foremost, it is your money, and if Washington is taking too much, you deserve it back. Tax rate reductions will make a meaningful difference to residents in the Second District. The median income for a family of four in Kentucky is \$35,000. **Under the new tax rates, families earning that amount will no longer pay federal income taxes. That is a savings of \$1,500.**

Reducing tax rates is the responsible thing to do. Tax rates are at their highest since World War II. The federal budget is finally balanced, reforms are taking place in government programs and repayment of the national debt is underway. **When some of my colleagues hear projections of a \$2.8 trillion surplus over the next 10 years, over and above funds coming in for Social Security and Medicare, they immediately think of new programs to spend it on. My view is that it should go back to those who earned it.**

Reducing tax rates is the fair thing to do. By making the lowest tax rate 10 percent instead of 15 percent and consolidating remaining tax brackets, **the share of the total income tax that taxpayers who earn less than \$40,000 a year pay drops. Taxpayers in the lowest income group will have their tax burden decreased by 130 percent.**

Reduced marginal tax rates to levels of 10, 15, 25 and 33 percent from rates of 15, 28, 31, 36 and 39.6 percent taxes all at lower rates and lets taxpayers keep more of a hard-earned raise rather than having that extra income go to taxes.

FAMILY TAX RELIEF

A second piece in the tax-relief pie is elimination of the marriage penalty tax and doubling the child tax credit. Couples shouldn't pay up to \$1,400 more in taxes simply because they are married. By raising the standard deduction for couples to twice that of single tax filers, the unfairness is eliminated. **Nearly 66,000 married couples in the Second District will benefit from this legislation.**

Doubling the per child tax credit allows families to keep even more of their money to care for their

children's needs. Raising children is the most important job parents have, and they need all the resources available to them to do so. **In the Second District of Kentucky alone, 100,000 children and their families will benefit from the \$1,000 per child tax credit.**

RELIEF BY THE NUMBERS

KY Median Income Family of Four:
\$1,500 Tax Cut

KY Police Officer or Teacher:
\$1,000 Tax Cut

Couples in District With Marriage Penalty:
66,000

Average Marriage Tax Penalty:
\$1,400

Children in Second District Benefitting
from Child Tax Credit:
100,000

DEATH TAX ELIMINATION

A third major component in our tax plan is elimination of the death tax. **Small business owners and family farmers pay taxes throughout their lifetime, only to have their families pay 37 to 55 percent of the value of their estate in taxes when they die.**

The death tax has been of special concern to the farm community, as many next-generation farmers have been forced to sell their parents' or grandparents' farm in order to pay estate taxes. Small businesses are also affected by the death tax, as many family

businesses fail to survive to the next generation. **While some wanted only to reduce the rates, I supported a full repeal. Unless a tax is fully uprooted, it has the tendency to grow back.**

These three items are the bulk of the tax relief plan fast on its way to becoming law. That doesn't mean that it is the only tax relief Congress will pass this year, but it is certainly a great place to start.

Effort Underway To Write New Farm Policy Legislation

With the current Farm Bill expiring in 2002, the House Agriculture Committee has started the reauthorization process this year, hoping to put new commodity policies in place by the fall. At this time, the committee plans to have legislation ready in July for the House to consider.

When farmers needed assistance due to disasters and low commodity prices in the past two years, Congress has been able to help provide it. Farmers tell me they want to farm for the markets, not the government. **I support flexibility in production-your freedom to farm. I also understand that farmers are looking for a more predictable and stronger safety net.** As we work on new farm policy, it needs these principles.

Improving markets for farm goods is necessary to keep Kentucky and U.S. farmers in business.

President Bush is working on an aggressive agenda for free and fair trade, and I support the opening of new markets for all our crops, including tobacco.

Tobacco farmers received some good news this year with an increase in their quota after three years of large cuts. I've been pleased to work with the Kentucky Congressional delegation in support of tobacco assistance and reduction in the pool stocks. With the changes brought on by contracting and concerns over grading, I support farmers' efforts to ensure market alternatives and a quality grading system. Farmers' groups, working with buyers and the grading service, are making progress toward this important goal. I realize farmers are uncertain about the future, but now is time to work together.

This year, I have introduced legislation of interest to farmers who hire temporary or part-

time employees after the issue was brought to my attention by a farmer in the district. Congress has never updated Social Security and Medicare tax withholding levels for farm workers, even though the levels have been changed for other workers. As a result, farmers have to file paperwork and withhold taxes from wages when they pay as little as \$150 for farm work per year.

With today's wages, farmers who hire part-time help for even a few days a year face confusing and time-consuming paperwork. This legislation proposes to increase the threshold to \$1,000 per employee before Social Security and Medicare taxes must be withheld. Full-time students under age 18 are also exempt from withholdings so they can keep more of their earnings.

Please see the next page for information on Rep. Lewis' June 30 agriculture meeting.

Lewis Supports Faith-Based Initiatives

In April, the House Republican Conference hosted its first Faith Based Leadership summit in Washington. Kendra Stewart, director of Elizabethtown's Vaughn Reno Starks Community Center attended the summit as Congressman Lewis' nominee.

The summit brought together leaders in Congress and more than 400 leaders in local communities around the country who are already offering resources and services through faith-based organizations. Participants discussed ways government can help faith-based organizations provide services to those in need.

The Vaughn Reno Starks Center is a great example of a faith-based organization fulfilling needs in education, computer literacy and after-school programs for children. Two years ago, Lewis helped the Center receive federal assistance for new computers and educational programs.



Lewis meets with Kendra Stewart at his D.C. office. Stewart told Lewis that although the Starks Center receives church funding, its focus is supporting youth.

Government alone cannot serve everyone in need. With the right cooperation, government funds can assist community and faith-based groups provide the services a community needs. It's not about funding religion or the government having a say in religious groups. Instead, it's a new approach to making a difference. Working together, government, nonprofit groups and faith-based organizations can do more to solve social problems.

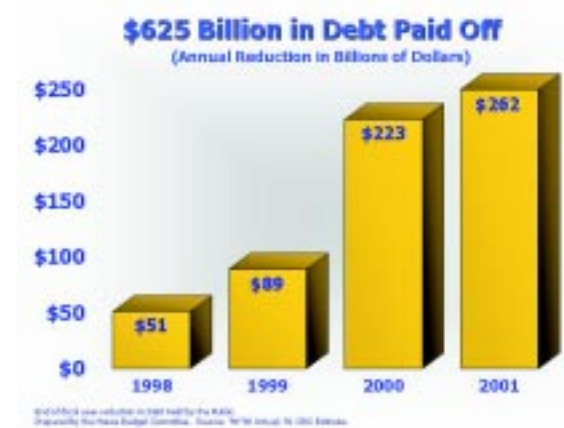
Lewis also supports the Community Solutions Act. This legislation expands current charitable choice provisions, which allow faith-based organizations to compete for substance abuse and social services block grants, to also include crime prevention, housing, job training, child care and other grants. Additionally, the legislation allows tax filers who do not itemize to deduct charitable donations and encourages giving by allowing tax-free IRA contributions to charity.

New Budget Pays Down More Debt, Spends Less

Congress agreed recently on an outline for this coming year's federal budget. **Two significant themes of this budget are its emphasis on continued pay down of the nation debt and its emphasis on controlling spending.**

Just because the federal government has funds coming in above those locked away for Social Security and Medicare does not mean that it all should be spent. However, in the last two years, a lot of money has gone into large spending increases. This year's budget calls for more restraint, holding the total increase to 4.9 percent. Some areas, such as education, defense and Medicare reform, receive increases. Other areas are held at the previous year's level, and unneeded, duplicated programs are reduced and eliminated. The federal government has commitments, but those commitments need to be funded responsibly.

The budget also continues the progress being made on reducing the national debt. In the past three years, \$625 billion has been paid off. In the coming 10 years, \$2.4 trillion is budgeted for repayment on the debt. This commitment for the future must be kept or today's children and grandchildren will be the ones bearing the burden.



New Health Coverage Available for Military Retirees

As passed last year, the extension of health care coverage to Medicare-eligible military retirees, their spouses and survivors is going into effect. With the new TRICARE For Life (TFL) program, the federal government has come closer to honoring the promise of "health care for life" it made to those who served in the defense of our country.

Since April 1, Medicare eligible beneficiaries have been able to receive pharmacy benefits under a plan called TRICARE Senior Pharmacy Program (RSRx). Beginning this October, TFL

will extend TRICARE as secondary coverage to approximately 1.4 million people by paying all co-payments and costs Medicare does not cover.

In order to receive TFL, beneficiaries must be eligible for Medicare Part A and enrolled in Medicare part B. TFL will pay the Medicare costs that Medicare Part B does not, plus added benefits Medicare does not pay for. Those who devoted their careers and lives to serving our country should receive the benefits promised. As TRICARE For Life is implemented, the government starts living up to its word.

Contacting Your Congressional Offices

1690 Ring Road, Suite 690 **New Address**
Elizabethtown, KY 42701
(270) 765-4360 Toll Free 1-800-367-6676

1001 Center Street, Suite 1000 **New Address**
Bowling Green, KY 42101
(270) 842-9896

423 Frederica Street, Room 304 Federal Bldg.
Owensboro, KY 42301
(270) 688-8858

2418 Rayburn House Office Building
Washington, D.C. 20515 **New Address**
(202) 225-3501

Internet: www.house.gov/ronlewis/
E-mail: Ron.Lewis@mail.house.gov

Congress of the United States
House of Representatives
Washington, D.C.
Official Business

Postal Patron
2nd Congressional District
Kentucky


Member of Congress
ECRWSS